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How spy ring went shopping and almost stole the U.S. store

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WASHINGTON—In the last two years, a Polish government spy ring operating out of Chicago, Boston, New Jersey, Maryland and California has obtained key secrets about the MX missile, the "stealth" bomber, America's best military radars and the entire Pentagon budget outlining top-secret plans to build a missile capable of shooting down Soviet missiles, U.S. officials say.

The known dimensions of the Polish spy operation became larger a week ago, when the FBI broke its latest spy case in the so-called "Silicon Valley," the area south of San Francisco where many computer manufacturers have their headquarters. Agents arrested a California man who had used his second wife, now dead, to gain access to key Minuteman missile secrets and other data.

After the arrest of James Durward Harper, 49, a hazy picture has begun to emerge of how the Soviet intelligence service, the KGB, headed for many years by Soviet Premier Yuri Andropov, used the Polish spy service, the Sluzba Bezpieczenstwa, or S.B., to acquire high-technology techniques and military secrets from the U.S.

THE RING, DIRECTED from the First Department of the Ministry of Machine Industry in the Warsaw government, set up as many as 15 businesses in the U.S. and used them to launch one of the most successful raids on U.S. secrets in Cold War history, according to U.S. officials interviewed in Washington and California.

Because Harper, a key target of the FBI's investigation, was making sudden plans to leave the country with still more secrets before he was arrested, a Justice Department official said the FBI was forced to disclose substantially more details than usual in espionage cases in seeking a hurried warrant for his arrest.

Considerable information about the spy ring was contained in the FBI's 33-page affidavit, which charges that a Polish spy master named Zdzislaw Przychodzien, whose code-name was "the Minister," directed the coup. Other information was supplied in interviews with Harper's lawyer. Sil-

icon Valley engineers, officials in the Commerce, Defense and Justice Departments and congressional aides.

THE RING APPARENTLY operated on a global scale, reaching from suburban Elk Grove Village, Ill., to Kuala Lumpur in Malaysia, from Sofia in Bulgaria to London and from Vienna to San Francisco. At its peak, The Minister's apparatus had perhaps a half-dozen well-placed Americans working to fill "shopping lists" of U.S. secrets handed to them in Warsaw.

One well-placed American intelligence expert described these operations that U.S. officials have tied to the spy ring:

- The Harper case, in which the Soviets received through their Polish surrogates details of how the U.S. plans to protect electronic systems that control its Minuteman missiles from the electro-magnetic interference that would be created if a Soviet nuclear weapon were detonated over a U.S. missile site. Such data is particularly important because of changed U.S. plans to deploy its MX missile in facilities originally designed for Minuteman in Wyoming, Colorado and Nebraska.

- The case of POLAMCO, a machinery exporting company based in Elk Grove Village that is largely owned by the Polish government. The company served as the operations base for its purported president, a Polish "deep cover" agent named Marian Zacharski, who was convicted two years ago of stealing documents telling how to build Low Probability of Intercept Radar, which is the key to U.S. efforts to build a "stealth" capable of eluding Soviet radar.

- The sale of radar sights and other components of the Army's TOW wire-guided missile system that the U.S. relies on as its main antitank weapon in Europe. Information about these systems, according to FBI documents, was provided by Harper as early as 1975 when he traveled to Poland with an American associate of The Minister, a Silicon Valley entrepreneur named William Bell Hugle.

- The sale to a Bulgarian national of Digital Equipment Corp.'s ultra-efficient VAX-11/780 computer engineered by an associate of Hugle's in London named Bryon Williamson. This computer, similar to the CRAY computers developed in Minnesota for the ultra-secret National Security Agency, is used to decode such satellite data as intercepts of Soviet military and civilian telephone messages and other communications intercepted by U.S. satellites and beamed to ground stations in Washington's Maryland suburbs and at a listening station in Australia.

- Successful efforts by The Minister's group in 1977 to obtain computer chip manufacturing processes developed by three of the country's most innovative Silicon Valley companies, Zilog Corp., Intel Co. and National Semiconductor Inc. In this case, U.S. officials charged, an engineer named Peter Gopal was recruited by The Minister and was brought to Vienna to discuss the scheme. Gopal was convicted in 1981 on domestic bribery, conspiracy and theft charges but never faced espionage charges.

- The sale in 1975 by Hugle of equipment developed by Harper to manufacture microcomputer chips for pocket calculators, wristwatches and stop watches to the Polish operation through a company called Hugle International.

The Hugle International operation owned subsidiaries in Tokyo, Kuala Lumpur in Malaysia, Singapore and Sunnyvale, Calif. Hugle's company went bankrupt after the U.S. Customs Service confiscated several crates of chip-manufacturing equipment that he had attempted to send openly from San Francisco International Airport to Poland, Customs officials said at the time.

HUGLE THEN left the country for Tokyo and lived in London for several years before returning to the U.S. in the late 1970s to resume his work as a major Silicon Valley businessman. He is reportedly living in the San Francisco area, but efforts to reach him for comment were unsuccessful.

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